MANAGEMENT AND ORGANIZATIONAL BEHAVIOR IN THE EUROPEAN UNION BUSINESS ENVIRONMENT

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ABSTRACT

The paper contains the results of a research developed by the authors on the organizational behavior in SMEs in Romania and Spain. This research is highlighting the fact that the organizational behavior is highly influenced by the core organizational values and is answering to the questions about how individuals and groups act in organizations and why. The research demonstrated how the core values of an organization are influencing the organizational behavior of the human resources from different organizational levels. The final section of the paper is presenting and is explaining some proposals for improving a new organizational behaviour model adapted to the European Union context, taking into consideration that the core organizational values are the key elements which should be considered by an effective management team in the contemporary society.

KEYWORDS: *management, organizational behavior, cultures, values, European Union*

JEL CLASSIFICATION: *D22; D23; J24*

1. INTRODUCTION

Once with the amplification of the globalization phenomenon, which brought in first plan the struggle for conquering the markets, the innovation acceleration, the development of the informational and communication technologies, the economic agents confront with the necessity of adopting a measure, in front of the fundamental mutations generated by the new economy (Ursăcescu, Cioc, 2012).
Organizational behavior management (*OBM*) is a multi-disciplined theory which draws on many domains and contributes to the efficiency and effectiveness of the organization. If someone would like to study the organizational behavior of a company, they would have effectively studied the Economics, Psychology, Sociology of the organization (Mihalcea & Androniceanu, 2000). The aspect of people behavior on systems is also studied using the system based theory (Muller, 2006). In such a scenario, it is extremely important to know and understand an organizational behavior theory. Understanding the theory would be the first step to implementing organizational behavior principles to an organization.
The organization's base rests on management's philosophy, values, vision and goals. This in turn drives the organizational culture which is composed of the formal organization, informal organization, and the social environment. The culture determines the type of management, communication, and group dynamics within the organization. The workers perceive this as the quality of work life which directs their degree of motivation. The final outcome is performance, individual satisfaction, and personal growth and development, like a part or organizational culture

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(Năstase, Barbu 2011). All these elements should be combined for building a special model or framework that the organization operates with (European Management Journal, 2010).

A major focus of *OBM* is to create environments in which productivity and quality are high and workers are generally satisfied, happy, healthy, and safe. Thus, it can be deduced that *OBM* aims to promote a success seeking orientation. As described above, success seekers are generally well-adjusted, work towards being the best they can be, and experience high self-worth or self-efficacy, perceptions of personal control, and low fear of failure (Popescu, Chivu, 2008). As college students, they exhibit the highest quality study skills, and obtain relatively high grades. It seems these are the ideal person states to cultivate when creating effective\ academic or organizational climates (Sharma, 2007).

OBM is an area of management that involves the study of how people act within organizations. Theories and methods of organizational behavior are used by managers in order to raise the quality of management practices (Perini, 2005).

The field of organizational behavior is structured in three levels: individual behavior, group behavior and collective behavior across the organization (Boyatzis, 1999). Attitudes and personality of employees help managers understand how individual behavior influences work behavior, motivation and work satisfaction, commitment and learning. Studying the group behavior provides information about leadership, communication, teamwork, decision making. Studying the organization-wide behavior helps explain how the whole system works and provides information about the organization capacity to achieve its goals and to adapt to competitive economic, social and political conditions (Robbins, 2009).

Figure 1 illustrates this view of organizational behavior. The Economist (2008) shows the connections among human behavior within organization, the individual-organization interface, the organization and the outside part of the organization (the environment). Each individual brings to an organization a unique set of personal characteristics, experiences and personal motivation (Chivu, 2010). Therefore, organizational behavior must consider the unique perspective that each individual contributes to the group work. For example, suppose that a hotel hires a consultant to investigate employee turnover (Dinu,2011). As a starting point, the consultant might analyze the types of people the hotel usually hires. The goal of this analysis would be to learn as much as possible about the nature of the company's workforce from the standpoint of the individual—their expectations, their personal goals, and their motivations (Elgström & Smith, 2006).
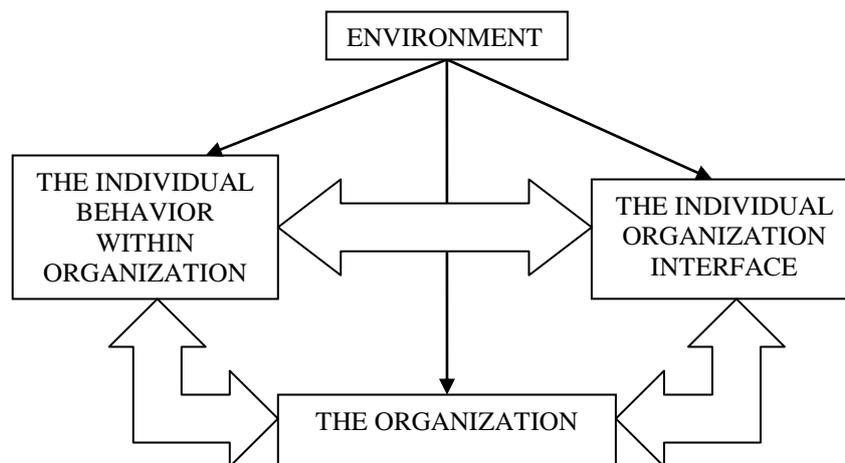

Figure 1. The view of Organisational Behaviour Management
Source: adapted from Vasilescu (2008, p.13)

A primary goal of organizational behavior is to describe relationships between two or more behavioral variables. The theories and concepts of the field, for example, cannot predict with certainty that changing a specific set of workplace variables will improve an individual employee's performance by a certain amount. At best, theories can suggest that certain general concepts or variables tend to be related to one another in particular settings. For instance, research might indicate that in one organization, employee satisfaction and individual perceptions of working conditions correlate positively. Nevertheless, we may not know if better working conditions lead to more satisfaction, if more satisfied people see their jobs differently from unsatisfied people, or if both satisfaction and perceptions of working conditions are actually related through other variables. Also, the observed relationship between satisfaction and perceptions of working conditions may be considerably stronger, weaker, or nonexistent in other settings.

The Contingency Perspective (Popescu *et al*., 2012): Another useful viewpoint for understanding behavior in organizations comes from the contingency perspective. In the early days of management studies, managers searched for universal answers to organizational questions. They sought prescriptions that could be applied to any organization under any conditions. For example, early leadership researchers tried to discover forms of leadership behavior that would always increase employee satisfaction and effort. Eventually, however, researchers realized that the complexities of human behavior and organizational settings make universal conclusions virtually impossible (Toma, 2008). They discovered that in organizations, most situations and outcomes are contingent; that is, the relationship between any two variables is likely to be influenced by other variables.

Table 1 distinguishes universal and contingency perspectives. The universal approach, shown at the top of the exhibit presumes a direct cause-and-effect linkage between variables.

For example, it suggests that whenever a manager encounters a certain problem or situation (such as motivating employees to work harder), a universal approach exists that will lead to the desired outcome (such as raising pay or increasing autonomy). The contingency approach, on the other hand, acknowledges several other variables that alter the direct relationship. In other words, appropriate managerial actions in any given situation depend on elements of that situation.

Table 1. Universal and contingency perspectives

Universal Approach		The one best way of responding.
Organizational problems or situations determine…	→	
Contingency Approach		
Organizational problems or situations must be evaluated in terms of …	Elements of the situation, which then suggest…	Contingent ways of responding.

Source: adapted from Aron (2002), p.15

2. OBJECTIVES OF THE SURVEY

The main objective of our applied research was to outline the OBM in the Romanian and Spanish SMEs environment and their perception manner concerning the changes in order to ensure the viability and the organizational sustainability.

We chose the approach of applied research to be performed by initiating organizational behavoiur at the managerial level, given the fact that the improvement opportunity in this direction has recently won, an increasing important role in SMEs (Barbu and Nedelea, 2005, p. 25) both as an academic subject and as an issue for empirical area (Popescu, Chivu, Scarlat et al., 2010, pp. 49-50).

3. EMPIRICAL SURVEY

Organizational behavior has been analyzed from different perspectives taking into account the main core organizational values. The questionnaire was applied to 140 persons from the SMEs located in Romania and Spain having in mind the identification of the learning profile like one of the most important parts of the organizational behavior. The structure of the sample was the following: 93 men and 47 women and on the age categories, the structure was: 23-30 years – 10%; 31-40 years – 20%; 41-50 years – 40%; over 50 years – 30%. Depending on the last school graduated, it is notable an average importance for the university studies 75%, post university 20% meanwhile college studies 5% respectively. Which concerns the experiences of the questioned people, it is remarkable that the most of them 57% have 15 years experience followed by the category of those with experience between 5 - 14 years experience – 20%, and the rest of the investigated people with less then 4 years experience (between 1- 4 years) – 23%.

In our survey, we considered the following factors influencing learning behavior: the personal profile - family influences, religious values, personal standards, and personal needs; the needs of the management team - supervisory behavior, peer group norms and behavior; policy statements and written rules; the business environment.

It is found that, in general, most of the people from the management level which have been questioned, feel a strong influence on their learning behavior coming from the first and the last statements. On the opposite part is the opinion of the people from the executive level, who consider that their learning behavior is influenced by other factor related with the first one and their organizational values supported by all of them.

The main values considered in our survey were: business learning; individual learning; team learning; social responsibility; personal education; rules and standards procedures; laws and professional codes. Concerning the understanding of learning values and organizational behavior through our survey, we discovered that more then 80% of the investigated people don't know anything about the learning values and organizational behavior. Table 2 summarizes the respondents' reasons and highlights the relative importance of various factors influencing *OBM*.

We have identified the following percents for each factor considered that influence the organizational behavior inside the investigated SMEs: business learning – 30%; individual learning – 15%; team learning – 5%; social responsibility – 5%; personal education – 10%; rules and standard procedures – 30%; laws and professional codes – 5%.
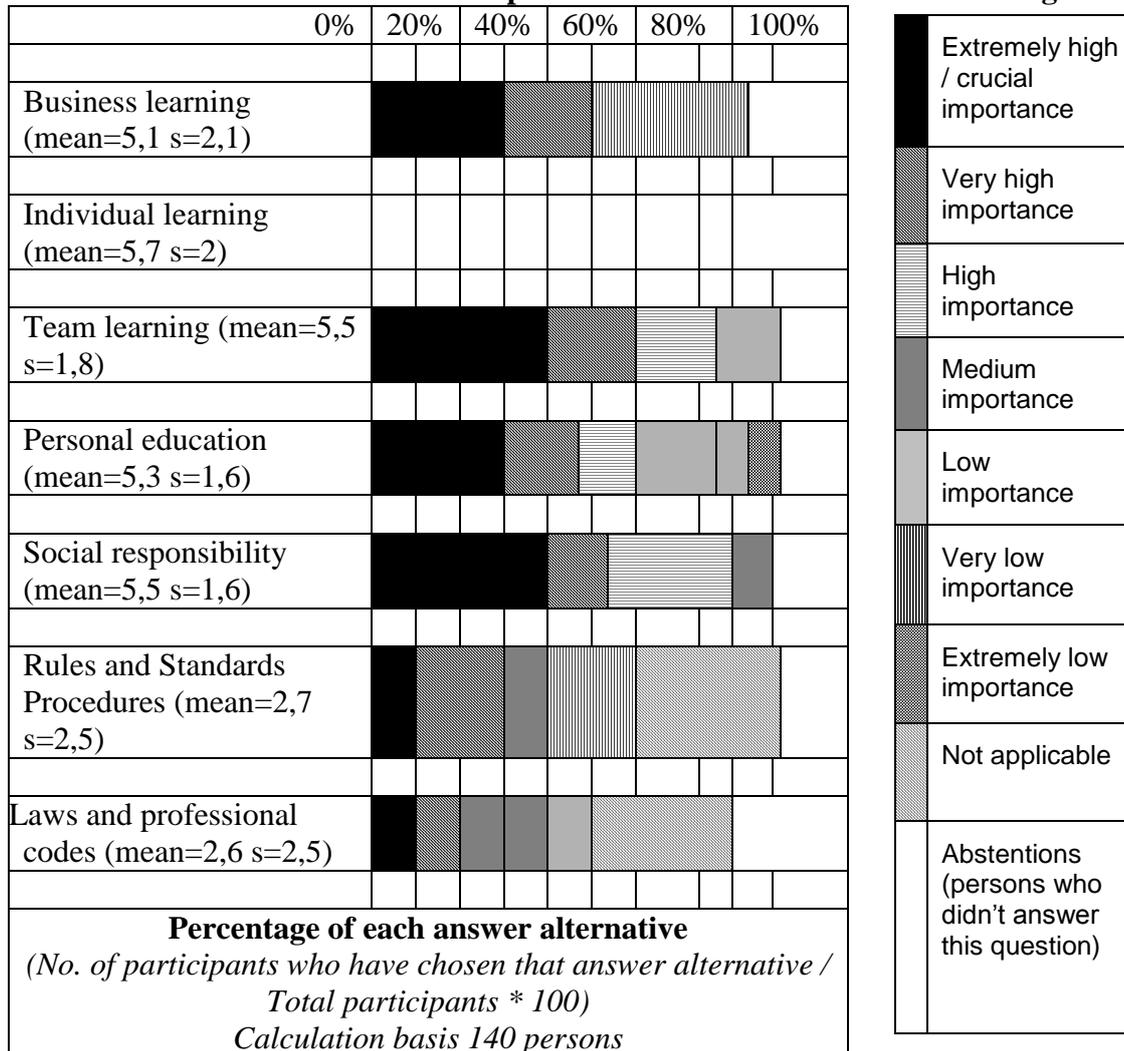
More then 90% of the people who responded the survey mentioned that both categories of values are strongly influenced by the following factors: personal education, own perception, rules and administrative procedures.

All the managers considered the first and the second factors like the most important for influencing their organizational behavior. The rest of the investigated managers appreciated that their ethical values and the organizational behavior are strongly influenced by the administrative procedures, organizational codes and strategies, which had the highest rank followed by rules and education. Only 5% from the medium level considered that their learning behavior is influenced by their personal perceptions and beliefs. As is demonstrated by the survey there is an important difference between the top and the medium level from the prospective of learning values like a component of the organizational behavior. More then 90% of the investigated people declared that they feel learning values and follow them in their daily activities because they understand how important are in their relations with others and for the image of the organizations they are working for.

Half from the total number of the investigated managers are credible leaders encourage the heart by recognizing individual contributions and by celebrating accomplishments. That means an organizational behavior based on learning values and morality which is very much appreciated.

Most of the subjects considered that learning behavior is absolutely necessary when leaders attempt to implement changes.

Table 2. The Relative Importance of Various Factors Influencing OBM

	0%	20%	40%	60%	80%	100%	Legend
Business learning (mean=5,1 s=2,1)							Extremely high / crucial importance
Individual learning (mean=5,7 s=2)							Very high importance
Team learning (mean=5,5 s=1,8)							High importance
Personal education (mean=5,3 s=1,6)							Medium importance
Social responsibility (mean=5,5 s=1,6)							Low importance
Rules and Standards Procedures (mean=2,7 s=2,5)							Very low importance
Laws and professional codes (mean=2,6 s=2,5)							Extremely low importance
							Not applicable
Percentage of each answer alternative *(No. of participants who have chosen that answer alternative / Total participants * 100) Calculation basis 140 persons*							Abstentions (persons who didn't answer this question)

Source: results obtained by authors from statistical data processing

We formulated 3 hypothesis:
Testing Hypothesis 1 from statistical processing of data:
Hypothesis1: Entrepreneurs / managers of SMEs do not adopt a consistent approach to learning based on the design, development and implementation of strategies in order to achieve OBM.
In figure 1 we presented the absolute frequencies, highlighting the high dispersion and low frequencies, to the extreme right of values.
Absolute frequency histogram for implementing learning shows a strong scattering for the values of change forms frequencies, demonstrating their heterogeneity.
Histogram chart type shows a high level of:
- economic forms of learning (the maximum is reached between 5-6);
- level of changing shape intensity, which decreases as the number of constantly type approaches increases.

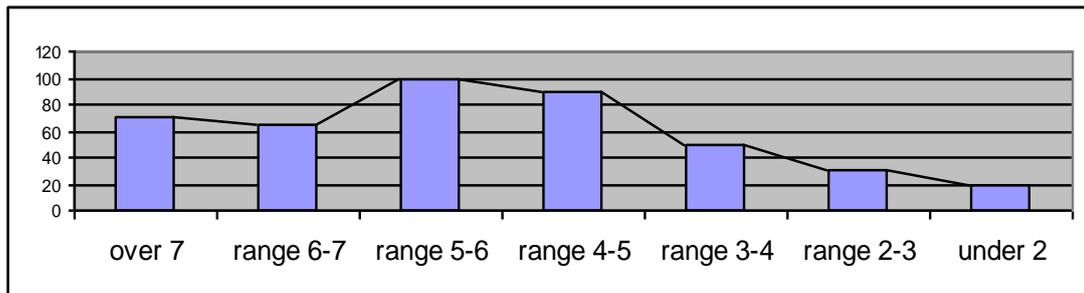We concluded that between learning values and *OBM* is a direct, positive relationship (Figure 2).

Figure 2: Absolute frequency histogram for implementing learning values

Source: results obtained by authors from statistical data processing

Testing Hypothesis 2 after statistical processing of data:

Hypothesis 2: Organizational learning processes are initiated ad-hoc, depending on current issues, without coherent plans of action based on.

In figure 2 we have presented the absolute frequencies, highlighting the high dispersion and low frequencies, to the extreme right of values. Absolute frequency histogram was capable of demonstrating strong scattering processes of organizational change frequency values, which demonstrates their heterogeneity.

Histogram chart type shows a high level of:

- organizational learning processes (the maximum is reached in the range 4-5);

- intensity level of the process that increases while applying *OBM*.

Hypothesis testing revealed that between the team learning and *OBM* is a direct, positive relationship (Figure 3).
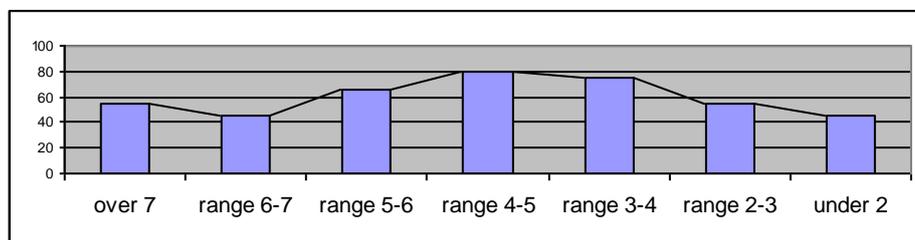

Figure 3: Absolute frequency histogram for implementing

team learning

Source: results obtained by authors from statistical data processing

Testing Hypothesis 3 from statistical processing of data:

Hypothesis 3: Addressing OBM in SMEs is both punctual and reactive, being determined, often, by the specific of certain projects in progress

In figure no. 3 we present absolute frequencies, highlighting the high dispersion and low frequencies to the far right of the values, as when testing the first two hypotheses.

Absolute frequency histogram shows again strong scattering for the values of change management frequencies, demonstrating its heterogeneity.

Histogram chart type shows a high level of:

- application of learning (maximum value is reached within 5-6);

- intensity level of constant *OBM* application, which decreases as the number of forms of change increases.

We found that between the existence of a pleasant working environment, cooperation and collaboration in work and organization performance is a direct, positive relationship (Figure 4).
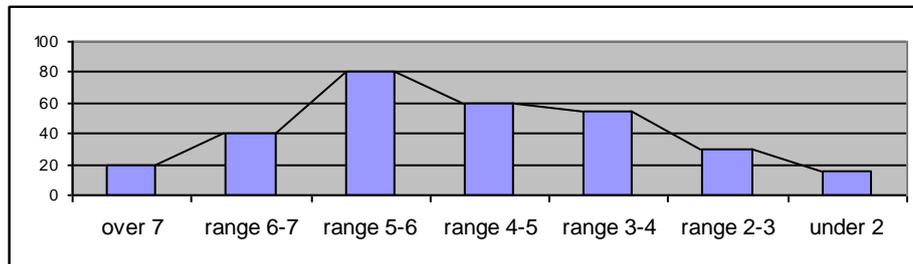

Figure 4: Absolute frequency histogram for implementing *OBM*

Source: results obtained by authors from statistical data processing

4. PROPOSALS FOR AN EFFECTIVE OBM

Based on the results obtained from the undertaken research, *OBM* aims to optimize the six dimensions relevant for learning. In this context, given that organizations have become tools to ensure the achievement with maximum efficiency of the goals and/or objectives; managerial behavior has become an extremely important factor for promoting the organization learning and development.

An effective OBM is focused on the following basic dimensions:
- excellent communication and good interpersonal relations manager - subordinate;
- exercise, with maximum efficiency, the tasks' management, together with the adoption of a participatory management style;
- strong motivation at work;
- promoting new and overcoming resistance to change;
- power and ability to lead;
- organizing and promoting their work through human resource management;
- creative foresight and vision;
- orientation to the market and to the customer.

Elements resulting from making operational the concepts of organizational learning and learning organization in a knowledge-based economy have been used to identify the main characteristics of the learning organization, as follows:
- the learning organization is an ideal type of organization with the ability to learn effectively and to prosper;
- organizational learning is a discontinuous process;
- organizational learning is more than the sum of individual learning;
- organizational learning is based on meanings and semantic learning;
- organizational learning represents the acquisition, conversion and creation of knowledge to facilitate organizational goals;
- individuals are more likely to identify themselves with particular groups rather than with the entire organization; moreover, the changes generated by the policy related with the organizational learning can be perceived as a threat to the social groups;
- organizational learning does not occur naturally;
- organizational learning includes three main processes:
    1) knowledge acquisition from external sources;

2) conversion of tacit knowledge into explicit knowledge;
3) collective contribution of different social groups to create new knowledge from the synergy of their different skills;

- the relationship between organizational identity and organizational learning is a powerful one that facilitates the adaptability of the organization to a constantly changing environment.

Together with the research team, we formulated the proposal that the five dimensions related to learning organization profile are the following: organizational structure, organizational culture, organization communication, management of the organization, efficiency and effectiveness of the organization, reflected in its performance.

Regarding the characteristics of the organization that may be associated with organizational learning, we concluded that the learning organization dimensions and descriptions are:

- organizational structure: appropriate (flexible). In this context, learning is directly dependent on how knowledge is managed and how the work is organized; the formal structure facilitates learning, adaptation and change, encouraging learning beyond the formal structure;
- organizational culture: appreciates value and rewards progress by not focusing only on the results; promotes personal development, innovation, sees training as an investment and rewards learning; appreciates learning (both individually and on organizational level) as the key to the organizational success;
- organizational communication: open organization, benefiting from inter-group communication; the communication system facilitates the information transfer and reduces inert storage points of information;
- management of the organization: direct and specific involvement of leaders into: the development of learning, building mental models of success, sharing the vision and systemic global thinking, team learning; solving problems systematically; experiment and learn, both from their own experience and that of others; ability to transfer knowledge;
- organizational performance: efficiency and effectiveness of the organization; economic stability; resource implications; dynamic evolution.

In summary, we appreciate that, as shown in the thesis, to the six fundamental managerial skills related to an effective leader correspond, inside the knowledge-based organization, eight basic dimensions of its capabilities.

5. CONCLUSIONS

We conclude that the organizational behaviors and the performance expectations are strongly influenced by the management knowledge, skills, attitudes, and abilities individuals. We try to group these managerial competences into three broad categories: self, working with others, and performance, although some competencies overlap categories. Together, these managerial competencies are keys for effective results.

Most of the investigated people mentioned that there are some special principles and codes containing the main ethical values, but the problem is how to create an internal mechanism for taking them into account. Most of them told us that nobody explained or trained them about what is the difference between rules, legal framework, ethical values , organizational behavior and how could be possible to integrate all of this in their organizational behavior. Majority of our individuals pointed out that there are no internal mechanisms related with learning standards for a *SME*.

Another important conclusion identified by us during the survey was that there is no clear definition of the employees rights and obligations and because of that they feel frequently injustice, especially concerning their rights. They know the obligations from the job descriptions, but most of these documents are very similar. Therefore, most of them have the same rights and obligations.

Related with the decision making process, the surveys identified that there is a low level of consultations even every person appreciated it very much. Usually, the dialog between the managers and their technical and economic staff is most of the time informal and with the person who is working at the low level is very poor. Most of the time, people from the medium and low level are involved in the policies implementation not in the decision-making process. In this context the *OBM* is not part of some of the SMEs working life. The employees are interested in having an ethical values system and they want to follow them together with the management team.

Organizational change and its effective and efficient management are prerequisites to the viability and organizational sustainability.

Here is the context in which at organizational level, management is faced with new challenges where their resolution shapes the very future of each company.

Our study has shown that entrepreneurs / managers of Romanian and Spanish SMEs area has not adopted a consistent approach to *OBM* based on the rationality, developing and implementation of strategies to achieve learning.

At the same time, we found that organizational learning processes are initiated, usually ad hoc, depending on current issues, without being based on coherent plans of action, which endanger the sustainability of *SMEs*.

The study results also revealed that although the mode of perception on the rationality and implementation of *OBM* in *SMEs* influence, direct and positive performance of the organization and, hence, organizational sustainability, calling strategies for implementing change management is in most cases, punctual and retroactive, not proactive and systemic.

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